

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 06237 171544Z

67

ACTION EUR-12

INFO OCT-01 EA-06 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 IO-10 NEA-09 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 /073 W

----- 056980

R 171534Z APR 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 9464

INFO USMISSION OECD PARIS

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

LIMITED OFFICIAL USE BONN 06237

DEPARTMENT PASS TREASURY

E.O. 11652: N/A

TAGS: ECON, OECD, EFIN, GW

SUBJECT: US PROPOSAL FOR GROWTH STUDY IN EPC WORKING
PARTY 2, APRIL 21-22

REF: STATE 86468

1. PROPOSAL SET FORTH IN REFTEL DISCUSSED WITH
DR. RAABE, DEPUTY ASSISTANT SECRETARY IN THE ECONOMICS
MINISTRY, WHO REGULARLY ATTENDS WP-2 MEETINGS. DUE TO
PRESSING COMMITMENTS IN BONN, HOWEVER, DR. RANZ,
OFFICE DIRECTOR FOR MEDIUM AND LONGTERM ECONOMIC
FORECASTING, WILL ATTEND APRIL 21-22 MEETING IN
RAABE'S STEAD.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 06237 171544Z

2. RAABE EXPRESSED SUPPORT FOR US PROPOSAL AND GAVE ASSURANCE THAT DR. RANZ WOULD REGISTER POSITIVE FRG REACTION AT NEXT WEEK'S MEETING. HE WAS PARTICULARLY PLEASED WITH THE SUGGESTED COMPLETION DATE AND, IN FACT, FELT THIS MIGHT CONCEIVABLY BE SHORTENED BY SEVERAL MONTHS. HE QUESTIONED THE USEFULNESS OF ESTIMATES BEYOND 1980 STATING IN BRIEF THAT SUCH LONG-TERM FORECASTS WERE AT BEST OF ONLY LIMITED BENEFIT TO EPC. THE USE OF INPUT-OUTPUT TABLES WAS IN HIS OPINION A SECONDARY ISSUE AND ONE OF METHODOLOGY WHICH COULD BE DISCUSSED ONCE THE FULL SCOPE AND DIMENSION OF THE STUDY WERE AGREED UPON. WHILE EXPRESSING FRG SUPPORT FOR THE PROPOSED GROWTH STUDY, RAABE FELT THAT THE SENSITIVITY OF THIS ISSUE AND POTENTIAL POLICY IMPLICATIONS WHICH IT CONTAINS MAY GENERATE HESITANCY BY CERTAIN OTHER MEMBER COUNTRIES TO SUPPORT THE STUDY.

3. CAUTIONING THAT THESE WERE HIS INITIAL REACTIONS AND MAY BE MODIFIED SLIGHTLY IN HIS INSTRUCTIONS TO RANZ, RAABE THOUGHT THE US PROPOSAL MIGHT BE STRENGTHENED AND SOMEWHAT EXPANDED IF A CLEAR UNDERSTANDING COULD BE SET FORTH OF (A) MEDIUM TERM ECONOMIC POLICY OBJECTIVES (E.G., FULL EMPLOYMENT, CORRECTION OF BALANCE OF PAYMENTS DISEQUILIBRIA, MODERATION OF INFLATION, ETC.); (B) THE VARIOUS STRUCTURAL DIFFERENCES IN MEMBER COUNTRY NATIONAL ECONOMIES WHICH NECESSARILY CREATE DIFFERENT STARTING POINTS IN A STUDY OF GROWTH; AND (C) ECONOMIC POLICY INSTRUMENTS AVAILABLE TO ACHIEVE THE ESTABLISHED OBJECTIVES. HE SAID THAT DR. RANZ WILL ADDRESS HIMSELF MORE FULLY ON THESE POINTS AT THE 21-22 MEETING AND WOULD BE PREPARED TO DISCUSS IN GENERALITIES GROWTH STUDIES UNDER WAY IN GERMANY.
HILLENBRAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, COMMITTEE MEETINGS, ECONOMIC TRENDS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BONN06237
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750135-0503
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750439/aaaabkkt.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 86468
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 17 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 APR 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US PROPOSAL FOR GROWTH STUDY IN EPC WORKING PARTY 2, APRIL 21-22
TAGS: ECON, EFIN, GE, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006